

COMMONWEALTH OF VIRGINIA
VIRGINIA GAS AND OIL BOARD HEARINGS
MINUTES JUNE 17, 2014

Pursuant to Sections 45.1-361.9B and 45.1361.22.B of the Code of Virginia, the Virginia Gas and Oil Board held its scheduled monthly hearing commencing at 9:00 a.m. on Tuesday, June 17, 2014 at the Russell County Government Conference Center, 139 Highland Drive, Lebanon, Virginia.

Board members present were Bradley C. Lambert (Chairman), Bruce A. Prather (Oil and Gas Industry Representative), Donald Lewis Ratliff (Coal Industry Representative), Donnie W. Rife (Public Representative), Mary Addington Quillen (Public Representative) and Rita Surratt (Public Representative).

Also present were Diane Davis (Division of Gas and Oil), Rick Cooper (Principal Executive to the Board), Sarah Gilmer (Division of Gas and Oil) and Matthew Gooch, Assistant Attorney General.

1. The Board will receive public comments.

No public comments.

2. The First Bank and Trust Escrow Agent for the Virginia Gas and Oil Board will appear to address the Board on the Quarterly Report.

VGOB Escrow Account Year-To-Date 2014 Summary. Beginning Balance as of 12/31/13 \$28,397,605.64. Deposits (Royalty & Working Income) \$1,099,036.09. Interest Earned (Money Market & CDARS) \$33,416.64. Fees (\$11,968.92). Distributions (Per Orders) (\$258,483.56). Audit Expenses \$0.00. Adjustment \$650.37. Ending Balance as of 05/31/2014 \$29,260,256.26. Debbie Davis also confirmed that the escheatment by the government for banking is five years.

3. A petition from EQT Production Company, for the disbursement of funds and authorization for direct payment on behalf of known owners on Tracts 2, 4, 5, 6, 7, 8, and 9. VGOB 97-05-20-0586. Docket Number VGOB 97-0520-0586-01. Continued from March 2014. Continued from May 2014.

The docket item was continued to August, 2014.

4. A petition from EQT Production Company, for the disbursement of funds and authorization for direct payment on behalf of the known owners on Tracts 1, 2, 3, 4, and 6 in Well VC-504637. VGOB 01-10-16-0968. Docket Number VGOB 01-1016-0968-05. Continued from May 2014.

The docket item was approved. Account closed. Authorization for direct payment of royalties. Disbursement are for Tracts 1, 4 & 6 only. Tracts 2 and 3 were incorrectly listed as being a part of the petition.

5. A petition from EQT Production Company, for the disbursement of funds and authorization for direct payment on behalf of Stephen Mullins as to Tracts 3 and 4 in Well VC-537113, VGOB 07-05-15-1934 in Dickenson County, VA. Docket Number VGOB 07-0515-1934-03. Continued from May 2014.

The docket item was approved. Account continues. Authorization for direct payment of royalties.

6. A petition from EQT Production Company, for the disbursement of funds and authorization for direct payment on behalf of Stephen Mullins as to Tracts 1 and 2 in Well VC-537108, VGOB 09-04-21-2515 in Dickenson County, VA. Docket Number VGOB 09-0421-2515-04. Continued from May 2014.

The docket item was approved. Account continues. Authorization for direct payment of royalties.

7. A petition from EQT Production Company, for the disbursement of funds and authorization for direct payment on behalf of the known owners on Tracts 1, 2, and 3 in Well VC-702966. VGOB 94-08-16-0467. Docket Number VGOB 94-0816-0467-03. Continued from May 2014.

The docket item was approved. Account closed. Authorization for direct payment of royalties. Disbursement for Tracts 2 & 3 only. Tract 1 was incorrectly listed in the Petition.

8. A petition from EQT Production Company, for the disbursement of funds and authorization for direct payment on behalf of the known owners on Tracts 3, 4, 9, and 10 in Well VC-503042. VGOB 04-12-14-1373. Docket Number VGOB 04-1214-1373-05. Continued from May 2014.

The docket item was continued to August, 2014. At the request of the applicant.

9. A petition from EQT Production Company, for the disbursement of funds and authorization for direct payment on behalf of all known owners as to Tract 5 in Well VC-2975, VGOB 97-07-15-0593. Docket Number VGOB 97-0715-0593-03. Continued from May 2014.

The docket item was approved. Account closed. Authorization for direct payment of royalties.

10. A petition from EQT Production Company, for the disbursement of funds and authorization for direct payment on behalf of Lois Phillips, Virginia Turner, James A. Counts, Marvin Counts, Glenda Sue Taylor and Hancle Counts as to Tract 4 in Well VC-702835, VGOB 98-03-24-0642 in Russell County, VA. Docket Number VGOB 98-0324-0642-04. Continued from May 2014.

The docket item was approved. Account continues. Authorization for direct payment of royalties.

11. A petition from EQT Production Company, for the disbursement of funds and authorization for direct payment on behalf of the known owners on Tracts 2 and 3 in Well VC-704511. VGOB 00-06-20-0813. Docket Number VGOB 00-0620-0813-03. Continued from May 2014.

The docket item was approved. Account continues. Authorization for direct payment of royalties. Tracts 1 & 2 are being disbursed. Tract 3 was incorrectly listed on the Petition.

12. A petition from EQT Production Company, for the disbursement of funds and authorization for direct payment on behalf of the known owners on Tracts 1 and 3 in Well VC-505241. VGOB 04-08-17-1325. Docket Number VGOB 04-0817-1325-04. Continued from May 2014.

The docket item was approved. Account continues. Authorization for direct payment of royalties. Disbursement is for Tract 3. Tract 1 was incorrectly listed on the Petition.

13. A petition on behalf of T. Shea Cook, Attorney for Link Smith appealing the decision of the Director issued on January 22, 2014, for IFFH 227 regarding an application from CNX Gas Company, for proposed well TA-131 with pipeline, located in Maiden Springs District, Tazewell County, Virginia. Docket Number VGOB 14-0318-4036. Continued from May 2014.

The docket item was affirmed. Director's Decision was upheld.

14. A petition on behalf of T. Shea Cook, Attorney for Link Smith appealing the decision of the Director issued on January 22, 2014, for IFFH 228 regarding an application from CNX Gas Company, for proposed well TA-144 with pipeline, located in Maiden Spring District, Tazewell County, Virginia. Docket Number VGOB 14-0318-4037. Continued from May 2014.

The docket item was affirmed. Director's Decision was upheld.

15. A petition on behalf of Gerald L. Gray, Attorney for Pamela Hess appealing the decision of the Director issued on May 2, 2014, for IFFH 220 regarding an application from CNX Gas Company, for proposed well Z36D with pipeline, located in the Garden District, Buchanan County, Virginia. Docket Number VGOB 14-0617-4049.

The docket item was motion died. Due to the lack of a second the motion died, which resulted in the Director's Decision being upheld.

16. A petition from CNX Gas Company, LLC, for re-pooling of Unit B33 under Oakwood Field 1, Patterson Quadrangle, Buchanan County, VA. Docket Number VGOB 12-0417-3049-01. Continued from May 2014.

The docket item was approved. Escrowing required.

17. The Board will receive an update of Board and Division activities from the staff.

The Board voted to re-bid the AFE for the audit of the Board's escow account. Rick Cooper announced that Matthew Gooch will be conducting conflict of interest training following the hearing for the VGO Board members. Rick Cooper also spoke of his appreciation of Diane Davis and her service to the Commonwealth of Virginia and the Division of Gas and Oil. Diane Davis addressed the Board announcing her upcoming retirement at the end of July 2014.

18. The Board will review the May 2014 minutes for approval.

The docket item was approved.

The hearing adjourned at 3:00 p.m.